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Latam Daily: Mexico's Trade Balance—December Surplus but Deficit for 2021

- Mexico: Trade balance ends 2021 with a cumulative deficit of USD 11.5 bn

MEXICO: TRADE BALANCE ENDS 2021 WITH A CUMULATIVE DEFICIT OF USD 11.5 BN

According to [INEGI](#), December's trade balance registered a surplus of USD 590 mn. Exports summed to USD 47.7 bn, while imports totalled USD 47.1 bn (chart 1).

On a yearly cumulative basis, however, the trade balance recorded a deficit of USD 11.5 bn, breaking with the two previous years of trade surpluses. Petroleum exports, which account for 6% of total exports, increased 65.4% y/y, owing to higher crude -oil prices rather than a substantial increase in production. Exports of manufactured goods (88% of total exports) rose 16.7% y/y, as auto exports, which represent a third of total manufactured goods, increased 13.8% y/y.

Total imports rose 32.0% y/y to USD 505.7 bn, with imports of intermediate goods (80% of total imports) leading this result. Intermediate good imports increased 32.7% to USD 403.2 bn, in both cases record numbers. Imports of consumer and capital goods increased to a lesser extent, 34.9% y/y and 21.8% y/y, respectively. These results are in line with a slower recovery in consumption and stagnant investment.

In the short run, we expect exports will continue to face challenges arising from logistical bottlenecks, especially in the manufacturing and auto sectors. And as we expect an increase in imports as internal demand recovers, the trade balance will likely remain in deficit over the following six months.

—Luisa Valle & Miguel Saldaña

Chart 1



Sources: Scotiabank Economics, INEGI.

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